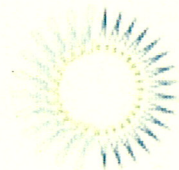


PROJECT CHARTER



A PERFORMANCE DRIVEN STATE GOVERNMENT

**Supported by
The Pew Center on the States**



THE
PEW
CENTER ON THE STATES

Government
Performance
Project

Version 1.0

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Governor's Charge

West Virginians always come together in times of need – and we always succeed. By working together, West Virginia is weathering one of the worst economic storms in our nation's history. Our little state has emerged as one of the nation's leaders in responsible and effective management of taxpayer dollars.

My administration always strives to act fiscally responsible so that during times of prosperity and times of economic challenges, our government will position the state for success. Our actions and fiscal management today should always enable tomorrow's generation of West Virginians to enjoy a high quality of life.

We have enacted many responsible policies during the past five years with the help of all branches of government, our citizens and private industry. From paying down debt to privatizing the workers compensation system, we saved West Virginians billions of dollars while improving service and preparing for the future. Businesses and Wall Street have taken notice, as more than 200 companies have located or expanded here since 2005, investing more than \$8.8 billion in our state.

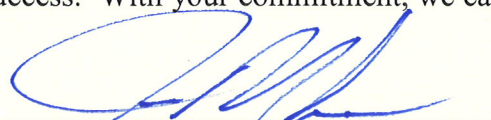
While these hurdles and successes are impressive, we can do so much more and now is the perfect opportunity to take advantage of our achievements. I want to make changes in state government that will serve as basis for success of future administrations. I believe that with the support of our employees, standing alongside the Pew Center on the States, we can transform West Virginia state government into a performance-driven organization.

A performance-driven state government is transparent and accountable. It clearly shows the results its agencies deliver to the citizens. We will ensure that West Virginians know how their taxpayer dollars are being spent and the return they receive on their investment. Spending decisions will not be based on the past year's budget, but instead on what programs support our vision for the state and show a record of success.

This is a major change in the way state government does business. But change is good – we have the results to prove it. We cannot back down from this challenge that surely will create even more positive change for our state.

I expect you to dedicate your energy and the resources of your department to this project. I want you to lead the shift in planning and budgeting processes, and to communicate the project's intent and benefits to your employees. As a leader, you should lead your employees to think of ways your department can contribute to the project's success.

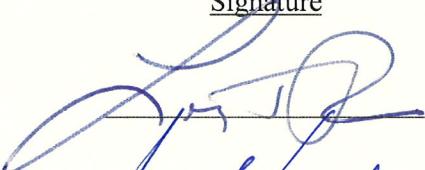
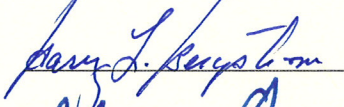
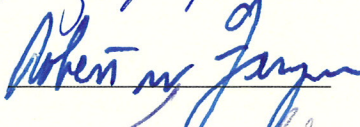
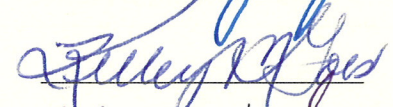
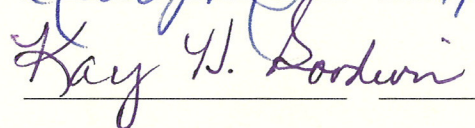
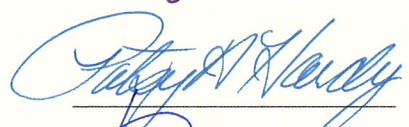
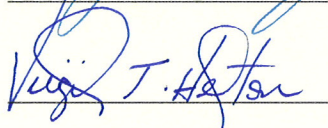
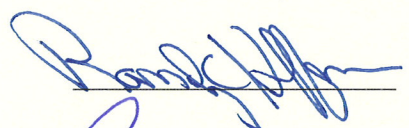
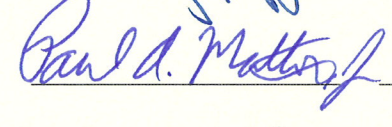
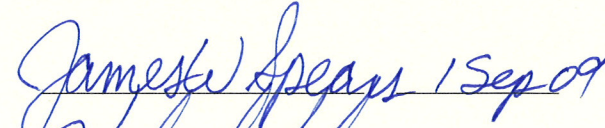
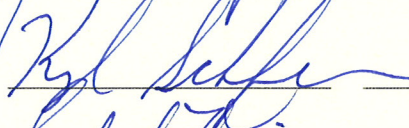
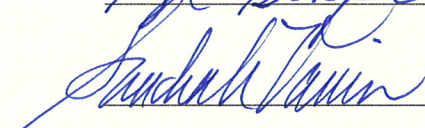
Every one of us is critical to the project's success. With your commitment, we can build a better West Virginia. Thank you.



**Joe Manchin III, Governor
State of West Virginia**

Agreement of the Executive Committee

By signing below, I understand the purpose and content of this project charter. To that end, I support the governor's intent and will work to make state government more accountable to its citizens through an enterprise-wide and agency-level strategic planning process, performance-based budgeting, and a proactive and transparent communications process.

<u>Name</u>	<u>Title</u>	<u>Signature</u>	<u>Date</u>
Larry J. Puccio	Chief of Staff, Office of the Governor		9/10/09
Harry L. Bergstrom	Deputy Chief of Staff, Office of the Governor		9/1/09
Robert W. Ferguson, Jr.	Cabinet Secretary, Dept. of Administration		9/1/09
Kelley M. Goes	Cabinet Secretary, Dept. of Commerce		9/9/09
Kay H. Goodwin	Cabinet Secretary, Dept. of Education and the Arts		9/2/09
Patsy A. Hardy	Cabinet Secretary, Dept. of Health and Human Resources		9/1/09
Virgil T. Helton	Cabinet Secretary, Department of Revenue		9/1/09
Randy C. Huffman	Cabinet Secretary, Dept. of Environmental Protection		9/1/09
Paul A. Mattox, Jr.	Cabinet Secretary, Dept. of Transportation		9/8/09
James W. Spears	Cabinet Secretary, Dept. of Military Affairs and Public Safety		1 Sep 09
Kyle D. Schafer	Chief Technology Officer, Office of Technology		
Sandra K. Vanin	Commissioner, Bureau of Senior Services		1 Sept 09

Scope and Deliverables

1.1 Mission Statement

To establish new statewide planning and budgeting systems that enable state government to ensure the best return on public investments, save taxpayer dollars, and deliver better services through a more transparent process.

1.2 Steps and Deliverables

1.2.1 First Year

The goal for the first year is to establish best practices of strategic planning and performance-based budgeting across all state and legislative agencies. Building on the framework and foundation of the first year, the State will work to codify those best practices in the “West Virginia Accountability Act,” during the 2010 legislative session.

At the same time and with intensive Pew support, the state will develop the following framework for the West Virginia Accountability Act:

1. **Statewide strategic plan:** The governor will establish statewide priorities for the future.
2. **State agency strategic plans:** Each state agency will develop an annual plan outlining the mission, goals, strategies, and performance measures for each state program.
3. **Performance-based budget:** The Budget Office will publish a budget section for the Department of Administration that specifies what outcomes or outputs an agency or program is expected to produce with the budget request. The Department of Administration will serve as the pilot department for the performance-based budgeting process that will then be rolled out to other departments in the coming years.

1.2.2 Subsequent Years

The state will see a return on its investment in 2010, as the new performance-based budget document will specify what outcomes or outputs an agency or program is expected to produce with the budget request.

Additionally, the state will then develop program performance reporting, performance auditing and a return-on-investment analysis of proposed government expenditures. A governor’s planning retreat will be conducted to establish our state government’s priorities and to launch the performance budgeting process.

The West Virginia Accountability Act will be drafted; marked; and, with the legislature's consent, adopted during the 2010 legislative session. In 2010 and beyond, work plans will be created and guidance will be generated for the West Virginia Accountability Act to be implemented between 2010 and 2012.

1.2.3 Timeline of Deliverables

STEPS	DELIVERABLES	DUE DATE
Designate project lead, form team and agency network	Directory of contact information and team orientation	August 31, 2009
Create and gain approval for project charter	Approved charter	August 31, 2009
Communicate project scope to agencies & others	Message and FAQ	August 31, 2009
Draft statewide strategic plan	Statewide strategic plan	September 7, 2009
Draft communications plan	Communications plan	September 18, 2009
Design strategic planning training and materials	Strategic planning training schedule and materials	September 18, 2009
Design performance budgeting process and related materials for pilot department	Budget schedule and materials	September 18, 2009
Design performance measures training and related materials	Performance measures training schedule and materials	September 30, 2009
Governor holds enterprise planning meetings	Identified priorities and rollout of budget schedule and materials	September 30, 2009
Pilot agencies collaborate on budget proposals aligned with priorities	Draft agency budget proposals	September 30, 2009
Pilot agencies revise proposals	Final agency budget proposals	October 15, 2009
Pilot agency proposals are evaluated and ranked	Draft budget section aligned with priorities submitted to governor	October 15, 2009
Generate project progress report	Progress report to Pew	November 30, 2009
Strategic planning training is provided to agencies	Agency strategic plan outlines (final plans due after adoption of FY11 budget)	December 15, 2009

Final budget decisions are made by governor and budget presentation materials are created	Budget presentation schedule and materials	December 31, 2009
Governor's budget with performance-based section delivered to the legislature and public	Budget message, briefings and materials	January 2010
Draft and propose West Virginia Accountability Act	Accountability Act	January 2010

1.2.4 Performance Measures

Indicators of project performance may include the following:

1. % of pilot agency budget proposals aligned with the designated priorities
2. % of pilot agency budget proposals that involve more than one state agency
3. Increase/decrease of services or customers served by the governor's budget
4. % of designated key staff trained and engaged in performance measurement
5. % of designated key staff trained and engaged in strategic planning
6. % of programs with performance measures
7. % of project milestones achieved on schedule
8. % of governor's proposed budget aligned with priorities
9. % of training sessions and related materials rated as very helpful
10. % of media reports acknowledging access to more performance-based data
11. Reporting of customer wait times for state services
12. Inquiry reporting to provide timely information to citizens
13. % of state agencies whose costs of services are at or under budget
14. Meeting formal expectations for state agency transaction turn-around times
15. Engaging in program value assessments

1.3 Elements

Elements of the project, and their respective implementation timeframe, may include the following:

1. Enterprise strategic planning (2010)
2. Agency strategic planning (2010)
3. Performance measurement (2010)
4. Performance budgeting (2010-2012)
5. Performance reporting (2010 - 2012)
6. Performance auditing (2010 - 2012)
7. Return on Investment (ROI) analysis of spending proposals (2010 - 2012)

Implementing these elements will leave a legacy of statewide performance management that will continue through subsequent administrations.

1.4 Desired End State

The governor will create an environment of collaboration, creativity and resourcefulness by bringing all agencies together to create solutions and to identify the state's priorities. As a result, the state can achieve more with its limited resources. As additional data is generated by measuring program performance, leaders will know the most effective and least effective approaches, thereby making resource allocation decisions that promise to achieve the best results. Managers will be encouraged to promote continuous improvement in their programs to improve results and increase funding.

Establishing performance measures and collecting related data will track the success of enterprise planning, performance budgeting and program performance. Savings can be tracked using data related to service levels, customers served, dollars saved from improvement projects and other performance and productivity data.

2. Authority and Governance Structure

2.1 Authority

Members of the project team are acting with the governor's authority to establish a statewide performance governance system, which includes the implementation of coordinated strategic planning efforts and performance-based budgeting.

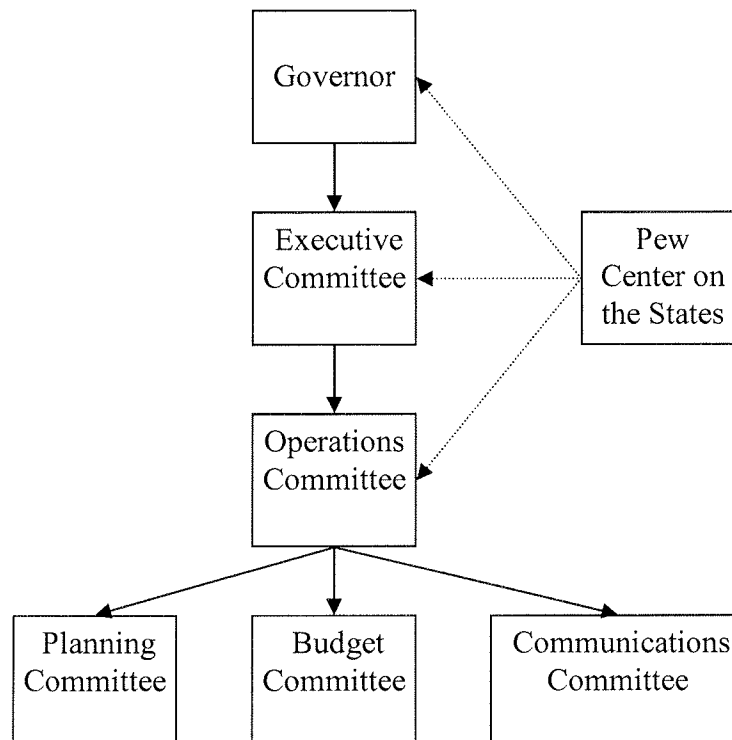
2.2 Organization

2.2.1 Committees

The project will be governed by two committees with differing governance roles:

1. The **Executive Committee** will provide
 - a. Strategic leadership;
 - b. Policy counsel;
 - c. Support; and
 - d. General oversight.
2. The **Operations Committee** will provide
 - a. Project-level leadership; and
 - b. Project-level accountability.

2.2.2 Organizational chart



2.2.3 Executive Committee

2.2.3.1 Purpose

To provide project guidance and direction and to eliminate any real or potential barriers standing before the Operations Committee.

2.2.3.2 Scope

The scope of the Executive Committee includes providing the following:

1. Strategic leadership;
2. Policy counsel;
3. Support; and
4. General oversight.

2.2.3.3 Membership

Membership of the Executive Committee will be composed of the following:

1. Governor, Chair
2. Governor's Chief of Staff
3. Governor's Deputy Chief of Staff
4. Secretary for Administration
5. Secretary for Commerce
6. Secretary for Education and the Arts
7. Secretary for Environmental Protection
8. Secretary for Health and Human Resources
9. Secretary for Military Affairs and Public Safety
10. Secretary for Revenue
11. Secretary for Transportation
12. Chief Technology Officer
13. Commissioner of Bureau of Senior Services

2.2.3.4 Meetings

To be held as required.

2.2.4 Operations Committee

2.2.4.1 Purpose

To execute the project's tasks as directed by the Executive Committee, including the planning, budgeting, and communications components of the project.

2.2.4.2 Scope

The scope of the Operations Committee includes providing the following:

1. Project-level leadership; and
2. Project-level accountability.

2.2.4.3 Structure

2.2.4.3.1 Chair

The governor will designate a chair that will oversee each subcommittee and report directly to the Governor's Office.

2.2.4.3.2 Subcommittees

The Operations Committee will be composed of three subcommittees, each with its own chair that will report to the Operations Committee chair. The subcommittees will each carry out one of the three main components of the project: Planning, Budgeting, and Communications. All components must be aligned with the others to ensure project success.

Subcommittees will be chaired and may be composed of cabinet-level staff members, constitutional officers, and designees of the legislative and judicial branches who will facilitate the desired organizational changes within the respective departments.

It is the responsibility of each subcommittee to draft its own charter that outlines the purpose, scope, membership, deliverables, and dates of the subcommittee. Final drafts of each subcommittee charter must be distributed to both the Chair of the Operations Committee and the Executive Committee.

2.2.4.4 Planning Subcommittee

2.2.4.4.1 Purpose

To engage all executive branch agencies in the strategic planning process to develop agency plans that align with the statewide strategic plan and include performance measures to track and report progress.

2.2.4.4.2 Chair

The Chair of the Operations Committee will appoint a chair of the Planning Subcommittee that will oversee the committee and report directly to the Chair of the Operations Committee.

2.2.4.4.3 *Membership*

Cabinet-level departments, constitutional officers, and the legislative and judicial branches may be represented on the Planning Subcommittee. Each member is expected to attend all meetings.

2.2.4.4.4 *Meetings*

To be held as required.

2.2.4.4.5 *Deliverables*

Strategic planning materials and training for all executive branch agencies resulting in agency strategic plans that supports the statewide strategic plan.

2.2.4.5 *Budgeting Subcommittee*

2.2.4.5.1 *Purpose*

To create a state budgeting process based on performance in support of the governor's statewide strategic plan.

2.2.4.5.2 *Chair*

The Chair of the Operations Committee will appoint a chair of the Budgeting Subcommittee that will oversee the committee and report directly to the Chair of the Operations Committee.

2.2.4.5.3 *Membership*

Cabinet-level departments, constitutional officers, and the legislative and judicial branches may be represented on the Budgeting Subcommittee. Each member is expected to attend all meetings.

2.2.4.5.4 *Meetings*

To be held as required.

2.2.4.5.5 *Deliverables*

Budget schedule and materials resulting in agency budget proposals that support the statewide strategic plan with performance measures in place to track progress.

2.2.4.6 Communications Subcommittee

2.2.4.6.1 Purpose

To develop clear, concise updates on the project's progress and to develop long-term tools and strategies to make state agency performance more transparent to all stakeholders of state government.

2.2.4.6.2 Chair

The Chair of the Operations Committee will appoint a chair of the Communications Subcommittee that will oversee the committee and report directly to the Chair of the Operations Committee.

2.2.4.6.3 Membership

Cabinet-level departments, constitutional officers, and the legislative and judicial branches may be represented on the Communications Subcommittee. Each member is expected to attend all meetings.

2.2.4.6.4 Meetings

To be held as required.

2.2.4.6.5 Deliverables

A communications plan, project progress report, and a reporting mechanism for agency performance.

2.2.5 Support from the Pew Center on the States

Staff and senior advisors from The Pew Center on the States will provide support to the Executive and Operations committees, including assistance in the development of the project plan and defining the roles of team and network members. During the first year of the project, Pew staff and senior advisors will also check in regularly to discuss progress and provide advice, connections to resources, and consultation.

3. Funding

3.1 State appropriated funds

In addition to providing dedicated staff, the State of West Virginia allocated \$50,000 for the costs and materials of the project. Further, some technology investments may be needed to align administrative and budget systems with enterprise planning and budgeting efforts.

3.2 Pew Charitable Trusts grant funds

The State of West Virginia received a \$50,000 grant from the Pew Charitable Trusts for project resources during its first year. This is in addition to access to Pew's staff and senior advisors.

Pew grant funds will be spent for the following expenses:

Agency strategic planning training expenses:	\$10,000
Performance-based budget process and training expenses:	\$20,000
Travel costs for best practices exchange:	\$20,000

3.3 Account

Both the state appropriated funds and the grant money from the Pew Charitable Trusts are deposited in State Fund 2046.